recommendations of the Dispute Settlement Body (DSB) of the World Trade Organisation (WTO) that India was no longer justified in maintaining Quantitative Restrictions (QRs) on imports on Balance of Payments (BoP) grounds in a dispute filed by the United States of America, India and the USA have signed a bilateral agreement which has determined the Reasonable Period of Time (RPT) for implementing the above. Accordingly, out existing QRs on 1429 tariff lines at eight digit level maintained on balance of payments grounds, QRs on 714 items are to be removed by 1st April, 2000 and on the rest of 715 items are to be removed by 1st April, 2001. In this regard, it may be mentioned that no item covered under the said agreement has so far been removed.

(c) Since QRs on these items are still to be lifted, exact impact on trade cannot be quantified. However, it may be noted that out of the 1429 tariff lines on which QRs are to be removed, 685 tariff lines are already importable against Special Improt Licence (SIL). Hence, there is unlikely to be any perceptible impact on import-export trade in future due to the removal of QRs as are being maintained on BoP grounds.

Automatic approval for FDI

1873. SHRI VEDPRAKASH P. GOYAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Automatic approvals for Foreign Direct Investment has not worked well with the foreign investors;

(b) if so, what are the shortcomings in the policy;

(c) what is the proportion of automatic clearances to the total FDI clearances; and

(d) what steps government have taken or propose to take in this direction since automatic clearance scheme has not proved effective?

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Both the automatic route as well as FIPB/Government route are being availed of by the investors. Investors who are covered by the automatic route also have the option to avail of the FIPB/ Government route. No difficulties have been expressed by an investor in availing of the automatic route.

(c) The amount of Foreign Direct Investment (FDI) approved through the automatic route as compared to the amount of total FDI approved during the period from 1991 to 1999 is approximately 7%.

(d) With the recent announcement of a small negative list, the scope of the automatic route has been considerably widened which is expected to prove attractive to foreign investors.

Stock of Rubber with STC

1874. SHRI M.J. VARKEY MATTATHIL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is stock of rubber with STC;

(b) if so, the stock position of natural raw rubber with STC to cater to the demand of the tyre manufacturers;

(c) if no, as to why the STC is not procuring rubber from the open market for this purpose; and

(d) whether Government would consider the floor price of rubber taking into consideration the huge hike in the fertilizer price and increase in wages?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) A stock of 3331 MT of Natural Ruber was available with STC for which an Export Contract has just been concluded. STC had been directed to supply against indents placed by Advance Licence Holders (AL Hs). But ALHs have not placed any indents with STC for supply of Natural Rubber during the last two months. STC has since been directed to maintain a stock upto 5000 tonnes of Natural Rubber to ensure prompt supply as and when such indents are received.

(d) Price of rubber is determined by the market forces of demand and supply. Government of India is taking all possible measures to help the rubber growers to get a remunerative price for their produce. Therefore, fixation of floor price of rubber is not considered necessary.